



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

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March 16, 2015

Honorable Sebastian Ridley-Thomas
California State Assemblymember
State Capitol, Room 2176
Sacramento, CA 95814

Subject: **BOE Support for AB 815**

Dear Assemblymember Ridley-Thomas:

The Board of Equalization (BOE) is sponsoring your Assembly Bill (AB) 815 related to the Oil Spill Prevention and Administration Fee. Since the passage of last year's budget trailer bill, SB 861 (Ch. 35, Stats. 2014), the BOE has worked with the Department of Fish and Wildlife and the affected industries to extend the oil spill prevention fees to marine and inland waters of the state, including crude oil and petroleum products received at a refinery in this state. Your bill makes several administrative changes that reduce confusion and clarify the intent of SB 861.

Specifically, AB 815 clarifies who owes and pays the fee, excludes petroleum products derived from fee-paid crude oil, and deletes unnecessary oil pipeline operator registration requirements. The bill also defines certain terms in the Revenue and Taxation Code. This bill offers the following benefits:

- **Reduced confusion.** The marine terminal and refinery operator collect the fee from the owner of the crude oil or petroleum products. To avoid confusion or overpayment, this bill deletes the provision that allows the owner of the crude oil or petroleum products to pay the fee to the BOE.
- **Improved method for preventing double fee.** This bill clarifies that a marine terminal and refinery operator may presume that the fee has been imposed on petroleum products derived from fee-paid crude oil. The change provides clear guidance that is consistent with Department of Fish and Wildlife regulations and is supported by the affected industry.
- **Ease of administration.** The oil spill prevention fee is no longer imposed on pipeline operators; therefore, this bill does not require them to register with the BOE for that program.

Thank you for authoring AB 815, which provides necessary clarification to the Oil Spill Prevention and Administration Fee and improves the fee-payer's experience.

If you have any questions or need additional information regarding this bill, please contact Michele Pielsticker, Chief, Legislation and Research Division, at (916) 322-2376.

Sincerely,


Cynthia Bridges
Executive Director

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